

Kindred Group plc

Interim report January – June 2017 (unaudited)

Second quarter and first half year highlights

- **New all-time high in Gross winnings revenue of GBP 166.6 (126.6) million for the second quarter of 2017, and GBP 319.8 (249.0) million for the first half of 2017.**
- **Underlying EBITDA for the second quarter of 2017 was GBP 33.4 (22.0) million, and GBP 63.7 (50.5) million for the first half of 2017.**
- **Gross winnings revenue contribution from 32Red was GBP 4.7 million and underlying EBITDA was GBP 1.2 million.**
- **Profit before tax for the second quarter of 2017 amounted to GBP 22.9 (15.4) million, and GBP 41.1 (37.9) million for the first half of 2017. For the quarter, this includes M&A costs of GBP 2.6 million related to the acquisition of 32Red.**
- **Profit after tax for the second quarter of 2017 amounted to GBP 20.4 (13.5) million and GBP 36.7 (33.5) million for the first half of 2017.**
- **Earnings per share for the second quarter of 2017 were GBP 0.090 (0.059) and GBP 0.161 (0.146) for the first half of 2017.**
- **Underlying earnings per share for the second quarter of 2017 were GBP 0.103 (0.063) and GBP 0.188 (0.154) for the first half of 2017.**
- **Number of active customers during the quarter was 1,171,166 (1,132,840). Of these, 39,268 were customers of 32Red.**

“Strong organic growth in both Gross winnings revenue and EBITDA for the second quarter”.

“The marketing investments made in previous quarters have resulted in a new all-time high in Gross winnings revenue that was up 32 per cent compared to last year. In constant currency Gross winnings revenue increased by 22 per cent whilst the organic increase in Gross winnings revenue in constant currency was 18 per cent. Taking into consideration the lack of major tournaments this year, we are confident that we have continued to outpace market growth and have continued to take market share.”

“Our reported EBITDA increased by 45 per cent during the second quarter of 2017. Excluding items affecting comparability, underlying EBITDA grew by 52 per cent and 34 per cent in constant currency. The underlying organic EBITDA in constant currency was up 28 per cent.”

“In the second quarter of 2017, 38 per cent of the Group’s Gross winnings revenue came from locally regulated markets. The acquisition of 32Red will significantly accelerate our development and profitability in the world’s largest locally regulated market. Gross winnings revenue from the mobile channel grew by 52 per cent and accounted for 73 per cent of total Gross winnings revenue in the second quarter”.

“In the period up to 23 July 2017, average daily Gross winnings revenue in GBP was 20 per cent higher compared to the same period in 2016 (up 9 per cent excluding 32Red). Adjusting for the impact of exchange rate changes, the growth was 15 per cent (up 4 per cent excluding 32Red),” says Henrik Tjärnström, CEO of Kindred Group.

Today, Wednesday 26 July 2017, Kindred Group’s CEO Henrik Tjärnström will host a presentation in English at FinancialHearings, Tändstickspalatset, Västra Trädgårdsgatan 15, in Stockholm at 9.00 CEST.

Please go financialhearings.com to sign in. The presentation is also webcast live on www.kindredgroup.com.

For those who would like to participate in the telephone conference in connection with the presentation, the telephone number is UK: +44 20 3008 9813 or in the USA: +1 855 831 5947.

The Kindred Group companies hold local gambling licences in UK, France, Belgium, Denmark, Germany (Schleswig-Holstein), Italy, Australia, Ireland, Romania and Estonia. The Kindred Group also holds international gambling licences in Malta and Gibraltar. The Kindred Group pays betting duties in all markets in accordance with applicable local laws.

Q2 AND FIRST HALF YEAR SUMMARY

This table and the contents of this announcement are unaudited.

GBP	Q2		Jan - June		Full Year	Rolling
	2017 GBPm	2016 GBPm	2017 GBPm	2016 GBPm	2016 GBPm	12 months ⁵ GBPm
Gross winnings revenue	166.6	126.6	319.8	249.0	544.1	614.9
EBITDA ¹	30.5	21.1	59.9	48.7	120.7	131.9
Underlying EBITDA ²	33.4	22.0	63.7	50.5	123.7	136.9
Profit before tax	22.9	15.4	41.1	37.9	92.8	96.0
Profit after tax	20.4	13.5	36.7	33.5	83.9	87.1
Net cash ³	54.1	28.4	54.1	28.4	38.6	
Bank debt	259.5	62.1	259.5	62.1	54.6	
	GBP	GBP	GBP	GBP	GBP	GBP
EBITDA ¹ per share	0.134	0.092	0.263	0.212	0.527	0.578
Underlying EBITDA ² per share	0.147	0.096	0.280	0.220	0.540	0.600
Earnings per share	0.090	0.059	0.161	0.146	0.366	0.382
Underlying earnings per share ⁴	0.103	0.063	0.188	0.154	0.379	0.413
Net cash ³ per share	0.235	0.123	0.235	0.123	0.168	
	SEK	SEK	SEK	SEK	SEK	SEK
Gross winnings revenue	1,876.1	1,493.5	3,568.0	2,976.8	6,300.7	6,891.9
EBITDA ¹	343.5	248.9	668.3	582.2	1,397.7	1,483.8
Underlying EBITDA ²	376.1	259.5	710.7	603.7	1,432.4	1,539.4
Profit before tax	257.9	181.7	458.6	453.1	1,074.6	1,080.1
Profit after tax	229.7	159.3	409.5	400.5	971.6	980.5
Net cash ³	593.1	323.8	593.1	323.8	430.7	
Bank debt	2,844.9	708.1	2,844.9	708.1	609.2	
	SEK	SEK	SEK	SEK	SEK	SEK
EBITDA ¹ per share	1.509	1.084	2.936	2.535	6.101	6.502
Underlying EBITDA ² per share	1.652	1.130	3.123	2.629	6.253	6.746
Earnings per share	1.009	0.693	1.799	1.744	4.241	4.296
Underlying earnings per share ⁴	1.157	0.740	2.093	1.838	4.392	4.648
Net cash ³ per share	2.577	1.407	2.577	1.407	1.871	
	No.	No.	No.	No.	No.	No.
Active customers	1,171,166	1,132,840				
Registered customers (million)	20.2	15.3	20.2	15.3	16.5	

Currency rate Q2 17 average: 1 GBP = 11.261 SEK, Q2 16 average: 1 GBP = 11.797 SEK, FY 16 average: 1 GBP = 11.580 SEK, 2017 YTD average: 1GBP = 11.157 SEK, 2016 YTD average: 1GBP = 11.955 SEK, 30 June 2017: 1 GBP = 10.963 SEK, 30 June 2016: 1 GBP = 11.403 SEK

The Kindred Group reports in GBP and the SEK figures presented above at period end rates are for information only and do not necessarily comply with IFRS.

¹ EBITDA = Profit from operations before depreciation & amortisation.

² Underlying EBITDA = EBITDA less M&A costs, management incentive costs relating to acquisitions.

³ Net cash = Total cash at period end less customer balances.

⁴ Underlying earnings per share = Profit after tax less M&A costs & management incentive costs & finance costs relating to acquisitions, divided by the weighted average number of outstanding shares for the period.

⁵ Rolling 12 months consists of 12 months ended 30 June 2017.



Significant events during the second quarter of 2017

On 6 June 2017, Kindred Group completed the acquisition of 32Red which from 7 July 2017 is delisted from the AIM Market of the London Stock Exchange.

Significant events after the period end

On 4 July 2017, Kindred Group's brand Unibet signed as Aston Villa's new principle partner.

On 10 July 2017, Kindred Group repaid GBP 2.8 million of the Revolving Credit Facility.

Acquisition of 32Red

On 23 February 2017, the boards of Kindred Group and 32Red reached an agreement on the terms of a recommended cash offer pursuant to which Kindred Group would acquire the entire issued and to be issued share capital of 32Red. On 6 June 2017, the UK Gambling Commission approved the acquisition and, with effect from that date, Kindred Group acquired full control of 32Red and consolidated it in its financial statements. The offer valued 32Red at GBP 175.6 million and Kindred Group has received 100 per cent of 32Red's outstanding shares. From 7 July 2017, 32Red was delisted from the AIM Market of the London Stock Exchange. Kindred has provisionally fair valued the net assets acquired from 32red Group plc at GBP 78.1 million and, accordingly, a goodwill of GBP 97.5 million has been provisionally recognised on the Kindred Group's balance sheet.

Total estimated transaction related costs are GBP 4.6 million of which GBP 0.6 million have already been recognised in the first quarter of 2017 and GBP 2.6 million has been recognised in the second quarter of 2017. The remaining cost will be recognised within finance costs from the third quarter of 2017 until the fourth quarter of 2019. Amortisation of acquired intangible assets is estimated at GBP 6 million per year over the coming three years from the second quarter of 2017. The cash consideration payable under the offer is funded by a new credit facility agreement of up to GBP 178 million, specifically for the purposes of this transaction.

This transaction is consistent with Kindred's multi-brand strategy and will further enhance Kindred's position in the fast growing online casino market in the UK valued at GBP 2.6 billion by UK Gambling Commission for the full year 2016.

Market

The Kindred Group is one of Europe's leading providers of moneytainment, operating in 20 different languages in more than 100 countries. The Group offers pre-game and live Sports betting, Racing, Poker, Casino & Games and Bingo through several subsidiaries and brands. While the Group's core markets are in Europe and Australia, it addresses global markets excluding only territories that it has consistently blocked for legal reasons such as the USA, Turkey and similar markets. The Kindred Group is a founding member of the European Gaming and Betting Association, the Remote Gambling Association in the UK and is audited and certified by eCOGRA in relation to the pan-European CEN standard on consumer protection and responsible gaming.

Current products

Sports betting

The Kindred Group's pre-game sports betting and live betting service offers a comprehensive range of odds on a variety of international and local sports events, to a worldwide customer base (excluding restricted markets as described above) 24 hours a day, 7 days a week. Bets are placed via the Group's websites and mobile apps.

The Group offered 45,861 live betting events in the second quarter of 2017 and streamed 11,841 events on desktop and mobile devices.

The majority of the Kindred Group's business is largely determined by the seasons for key sports such as the major football leagues in Europe, major golf and tennis tournaments, ice hockey leagues in the Nordic countries and North America and sports and racing in Australia. The seasonality of these events results in fluctuations in the Group's quarterly performance, especially in terms of the amounts staked. However, quarterly results can also vary widely, due to the volatility of Gross winnings margins in sports betting. Please also refer to page 5 for more information about the margin.



Casino & Games

The Kindred Group's casino product features a large variety of games from suppliers covering all markets and brands. The focus during the quarter has been to further strengthen the product position by integrating new suppliers, refining the current offering and building new features on the Kindred platform.

Poker

The Kindred Group's poker product is the fastest growing licensed poker network in the industry. The Unibet Open live poker series took place in Copenhagen in May and had over 1,000 entries, building up a total prize pool of over EUR 500,000. In June, Kindred won the "Innovation in Poker" award at the prestigious industry event EGR Operator Marketing and Innovation Awards.

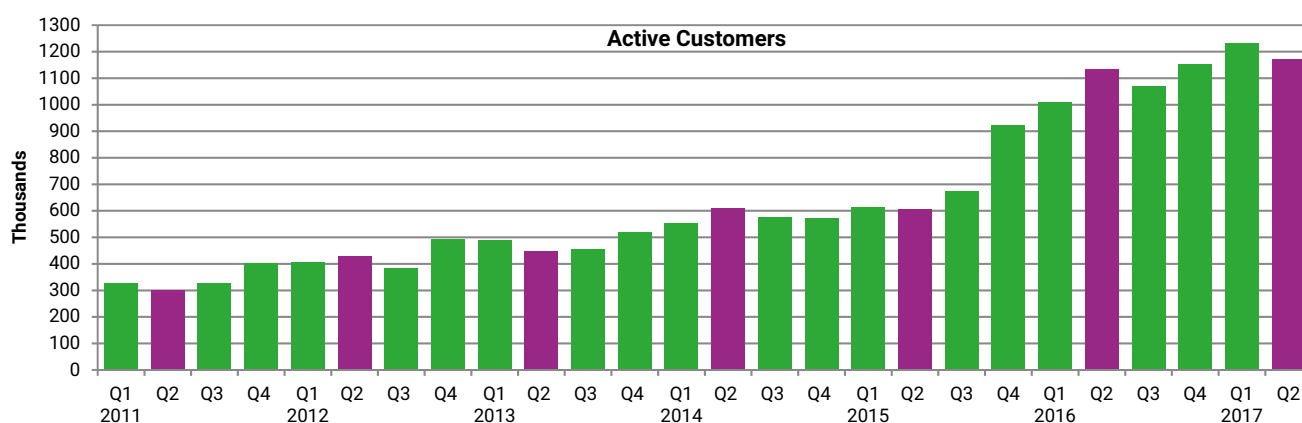
Bingo

The Kindred Group's bingo product offers several different game types, including big jackpots and exciting mini games. Since the launch of the Group's bespoke bingo product in summer 2015, the bingo network has continued to grow thanks to great software and innovative campaigns. During the quarter the mini games offering was expanded and the feature "player missions" was added and well received.

Customers

The total number of registered customers has continued to increase and amounted to 20.2 (15.3) million at 30 June 2017, whilst at 31 March 2017, over 16.9 million customers were registered.

For the second quarter of 2017 the number of active customers amounted to 1,171,166 (1,132,840), compared with 1,232,915 for the first quarter of 2017. Of these, 39,268 are customers of 32Red. An active customer is defined as one placing a bet in the last three months.



Financial review

The financial information within this report has been presented in accordance with International Financial Reporting Standards as adopted by the European Union. The accounting policies remain unchanged from the last published Annual Report and Accounts for the year ended 31 December 2016.

Throughout the report where a comparative number is stated in brackets, this relates to the comparative of the period specified.

Gross winnings revenue

Gross winnings revenue on sports betting represents the net receipt of bets and payouts for the financial period, as reduced for Free Bets granted. Free Bets are bonuses granted or earned in connection with customer acquisition.

Gross winnings revenue for sports betting amounted to GBP 73.2 (56.2) million for the second quarter of 2017. For the first half of 2017, Gross winnings revenue for sports betting amounted to GBP 139.6 (110.3) million.

In the second quarter of 2017, live betting accounted for 61.6 (61.4) per cent of turnover on sports betting and 52.3 (51.1) per cent of Gross winnings revenue on sports betting.



Gross winnings revenue for other products amounted to GBP 93.4 (70.4) million for the second quarter of 2017. For the first half of 2017, Gross winnings revenue for other products amounted to GBP 180.2 (138.7) million.

Please refer to pages 13 and 14 for more information on Gross winnings revenue per region and products.

Gross margin on sports betting

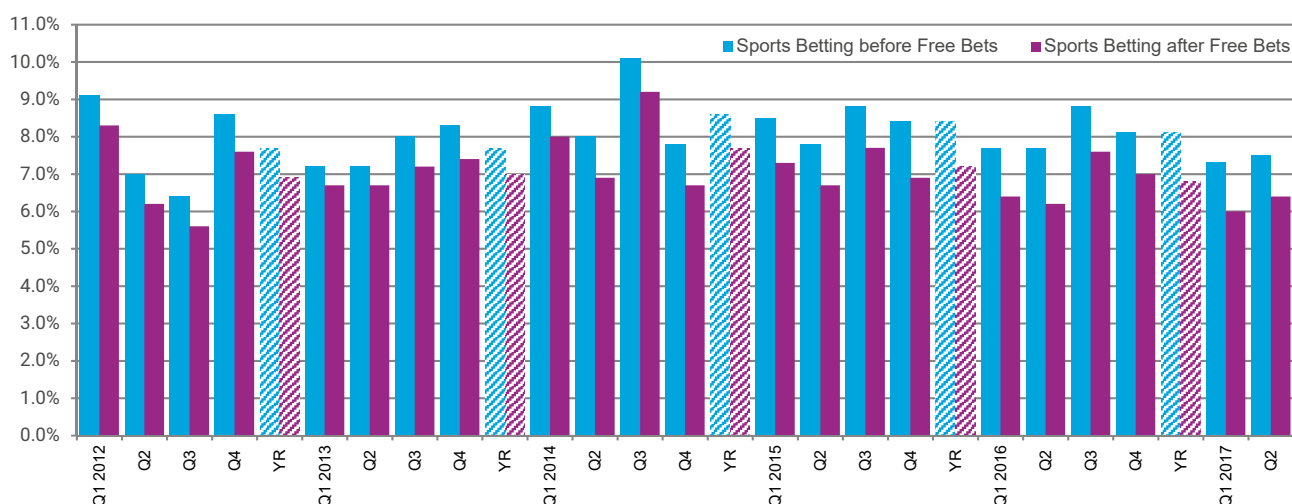
The gross margin for pre-game sports betting before Free Bets for the second quarter of 2017 was 9.4 (9.8) per cent.

The gross margin for total sports betting for the second quarter of 2017 before Free Bets was 7.5 (7.7) per cent. The gross margin for total sports betting for the second quarter of 2017 after Free Bets was 6.4 (6.2) per cent.

Please refer to page 14 for more information on sports betting margins.

Sports betting gross margins can vary quite significantly from one quarter to the next, depending on the outcome of sporting events. However, over time these margins will even out. This can be seen in the table below. The bars show total sports betting gross margin by quarter and full year.

Sportsbetting Gross Win % (before and after Free Bets)



Cost of sales

Cost of sales includes betting duties, marketing revenue share and other costs of sales. For the second quarter of 2017 betting duties were GBP 25.4 (15.7) million and marketing revenue share amounted to GBP 9.2 (7.2) million. The betting duties for the first half of 2017 were GBP 47.6 (29.9) million and marketing revenue share for the first half of 2017 amounted to GBP 18.7 (14.1) million.

Gross profit

Gross profit for the second quarter of 2017 was GBP 102.4 (78.7) million. Gross profit for the first half of 2017 was GBP 196.2 (156.4) million.

Operating costs (marketing and administrative expenses)

Operating costs include all indirect costs of running the business and are a combination of activity-related and fixed costs such as marketing, salaries and other administrative expenses.

During the second quarter of 2017, operating costs were GBP 73.7 (59.5) million. Of the operating costs in the second quarter of 2017, GBP 34.8 (30.4) million were marketing costs and GBP 17.5 (14.9) million were salaries. During the first half of 2017, operating costs were GBP 142.5 (111.8) million. Of the operating costs in the first half of the year, GBP 69.7 (56.1) million were marketing costs and GBP 34.6 (28.5) million were salaries.



FX rates

The following FX rates are those used for translation of the Group's SEK, NOK, EUR, DKK and AUD Balance Sheet and Income Statement items into GBP:

Balance sheet rates:

Rate to GBP	30-Jun-16	30-Jun-17	YoY Delta
SEK	11.403	10.963	3.9%
NOK	11.253	10.885	3.3%
EUR	1.210	1.137	6.0%
DKK	9.001	8.457	6.0%
AUD	1.806	1.689	6.5%

Income statement averages for the quarter:

Rate to GBP	Avg Q2 16	Avg Q2 17	YoY Delta
SEK	11.797	11.261	4.5%
NOK	11.847	10.888	8.1%
EUR	1.272	1.163	8.6%
DKK	9.460	8.647	8.6%
AUD	1.927	1.705	11.5%

EBITDA and Profit from operations

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the second quarter of 2017 was GBP 30.5 (21.1) million and for the first half of 2017, was GBP 59.9 (48.7) million.

Underlying EBITDA for the second quarter of 2017 was GBP 33.4 (22.0) million and for the first half of 2017, was GBP 63.7 (50.5) million.

Profit from operations for the second quarter of 2017 was GBP 23.1 (15.6) million. Profit from operations for the first half of 2017 was GBP 43.3 (38.2) million.

Development and acquisition costs of intangible assets

In the second quarter of 2017 development expenditure of GBP 5.2 (5.3) million has been capitalised, bringing the total capitalised for the first half of 2017 to GBP 10.1 (10.0) million. Capitalised development costs during 2017 are driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining.

Finance costs/income

Net finance costs for the second quarter of 2017 were GBP 0.4 (0.2) million. Net finance costs for the first half of 2017 were GBP 0.7 (0.5) million.

Profit before tax

Profit before tax for the second quarter of 2017 was GBP 22.9 (15.4) million. Profit before tax for the first half of 2017 was GBP 41.1 (37.9) million.

Profit after tax

Profit after tax for the second quarter of 2017 was GBP 20.4 (13.5) million. Profit after tax for the first half of 2017 was GBP 36.7 (33.5) million.



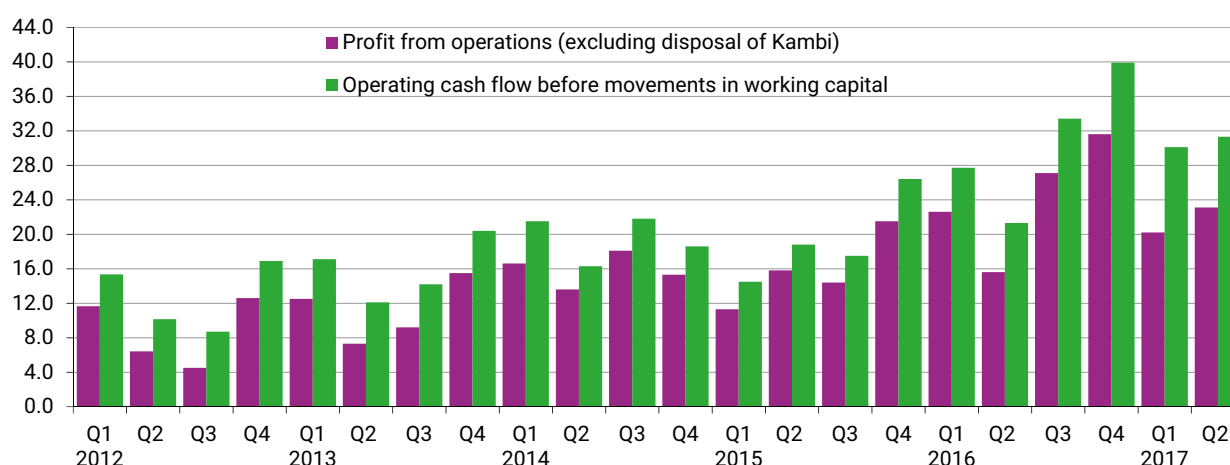
Financial position and cash flow

The cash in hand position at the end of the second quarter of 2017 stood at GBP 107.1 (78.7) million while at the beginning of the quarter it was GBP 96.7 (76.6) million.

The net cash inflow for the second quarter of 2017 was GBP 8.3 (1.0) million with significant cash movements being the utilisation of GBP 225.7 million of the Revolving Credit Facility, repayment of GBP 10.3 million and payment of dividend of GBP 70.6 million. As at 30 June 2017, GBP 259.5 (62.1) million of the Revolving Credit Facility was utilised.

GBP 31.3 (21.3) million was generated from operating activities before movements in working capital. The quarterly profit from operations and operating cash flow before movements in working capital is shown in the table below.

Profit and operating cash flow before movements in working capital (GBP million)



Employees

The Kindred Group had 1,339 (1,154) employees at 30 June 2017, compared with 1,220 employees at 31 March 2017. Of these 124 were employed by 32Red.

Share based incentive programme

On 3 July 2017, Kindred Group granted 421,695 new performance share awards to senior management and key employees ("2017 Performance Share Plan"). These grants will vest after July 2020 and are subject to achieving business performance targets over the three financial years 2017-2019 and continued employment. The targets for these plans have been set and approved by the Remuneration Committee and the Board of Directors in July 2017. The total amount expensed is recognised over the vesting period of the plan, which is three years.

No share awards have vested during the second quarter of 2017.

Principal risks

The Kindred Group manages strategic, operational and financing risks on a group-wide basis. The principal risks affecting the Group are market risks, foreign exchange risks, credit risks and legal risks. Further details of the Group's risk management and risks arising from the legal environment can be found on pages 26 to 29 and pages 43 to 44 of the Annual Report for the year ended 31 December 2016 available from www.kindredgroup.com. There have been no changes in any risks identified since the prior year end.



Forthcoming financial reporting timetable

Interim Report January – September 2017 27 October 2017 **NB: New date due to mid term.**
Full Year Report 2017 14 February 2018 **NB: New date not to coincide with trade show.**

The Board of Directors and the CEO certify that the interim report gives a fair reflection of the Group's operations, financial position and results of operations, and describes significant risks and uncertainties facing the Group.

Malta, 26 July 2017

Henrik Tjärnström
CEO

For further information please contact:

Inga Lundberg, Investor Relations +44 788 799 6116
Henrik Tjärnström, CEO +46 723 878 059

This report is unaudited.

Kindred Group plc

"Fawwara Bldgs", Msida Road, Gzira GZR1405, Malta

Registered office: c/o Camilleri Preziosi, Level 2, Valletta Buildings, South Street, Valletta, Malta.

Registered in Malta.

Company number C 39017



CONSOLIDATED INCOME STATEMENT GBP 'm	Unaudited Q2 2017	Unaudited Q2 2016	Unaudited Jan - June 2017	Unaudited Jan - June 2016	Audited Full Year 2016
Continuing operations:					
Gross winnings revenue	166.6	126.6	319.8	249.0	544.1
Betting duties	-25.4	-15.7	-47.6	-29.9	-67.7
Marketing revenue share	-9.2	-7.2	-18.7	-14.1	-29.8
Other cost of sales	-29.6	-25.0	-57.3	-48.6	-101.8
Cost of sales	-64.2	-47.9	-123.6	-92.6	-199.3
Gross profit	102.4	78.7	196.2	156.4	344.8
Marketing costs	-34.8	-30.4	-69.7	-56.1	-114.7
Administrative expenses	-38.9	-29.1	-72.8	-55.7	-121.4
Underlying profit before items affecting comparability:	28.7	19.2	53.7	44.6	108.7
M&A costs	-2.6	-	-3.2	-	-
Management incentive costs relating to acquisitions	-0.3	-0.9	-0.6	-1.8	-3.0
Accelerated amortisation of acquired intangible assets	-	-	-2.1	-	-
Amortisation of acquired intangible assets	-2.3	-1.8	-4.4	-3.6	-8.2
Foreign currency loss on operating items	-0.4	-0.9	-0.1	-1.0	-0.6
Profit from operations	23.1	15.6	43.3	38.2	96.9
Finance costs	-0.4	-0.2	-0.8	-0.5	-4.5
Finance income	0.0	0.0	0.1	0.0	0.2
Foreign currency loss on loan	-0.0	-	-1.8	-	-
Share of profit from associates	0.2	0.0	0.3	0.2	0.2
Profit before tax	22.9	15.4	41.1	37.9	92.8
Income tax expense	-2.5	-1.9	-4.4	-4.4	-8.9
Profit after tax	20.4	13.5	36.7	33.5	83.9
Earnings per share (GBP)	0.090	0.059	0.161	0.146	0.366
Weighted average number of outstanding shares	227,647,938	229,660,304	227,600,381	229,642,307	229,096,939
Fully diluted earnings per share (GBP)	0.089	0.059	0.161	0.145	0.365
Weighted average number of fully diluted outstanding shares	228,337,672	230,240,993	228,296,430	230,431,998	229,737,902
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME GBP 'm	Unaudited Q2 2017	Unaudited Q2 2016	Unaudited Jan - June 2017	Unaudited Jan - June 2016	Audited Full Year 2016
Profit for the year	20.4	13.5	36.7	33.5	83.9
Other comprehensive income					
Currency translation adjustments taken to equity	1.8	2.7	3.5	13.6	16.1
Total comprehensive income for the period	22.2	16.2	40.2	47.1	100.0



CONSOLIDATED BALANCE SHEET GBP 'm	Unaudited 30 Jun 2017	Unaudited 30 Jun 2016	Audited 31 Dec 2016
Assets			
Non-current assets			
Goodwill	284.5	181.8	184.9
Other intangible assets	170.5	93.4	93.9
Investment in associates	1.9	1.6	1.6
Property, plant and equipment	16.0	9.8	12.7
Deferred tax assets	9.4	7.1	8.8
Convertible bond	6.6	6.2	6.6
Other non-current assets	2.4	2.0	2.2
	491.3	301.9	310.7
Current assets			
Trade and other receivables	37.1	29.2	30.6
Taxation recoverable	20.5	11.6	20.5
Cash and cash equivalents	107.1	78.7	89.4
	164.7	119.5	140.5
Total assets	656.0	421.4	451.2
Equity and liabilities			
Capital and reserves			
Share capital	0.1	0.1	0.1
Share premium	81.5	81.5	81.5
Currency translation reserve	18.2	12.2	14.7
Reorganisation reserve	-42.9	-42.9	-42.9
Retained earnings	157.7	155.7	190.1
Total equity	214.6	206.6	243.5
Non-current liabilities			
Deferred tax liabilities	6.0	3.3	4.2
	6.0	3.3	4.2
Current liabilities			
Borrowings	259.5	62.1	54.6
Trade and other payables	84.8	70.8	60.0
Customer balances	53.0	50.3	50.8
Deferred income	2.8	5.6	4.2
Tax liabilities	35.3	22.7	33.9
	435.4	211.5	203.5
Total liabilities	441.4	214.8	207.7
Total equity and liabilities	656.0	421.4	451.2



CONSOLIDATED CASH FLOW STATEMENT GBP 'm	Unaudited Q2 2017	Unaudited Q2 2016	Unaudited Jan - June 2017	Unaudited Jan - June 2016	Audited Full Year 2016
Operating activities					
Profit from operations	23.1	15.6	43.3	38.2	96.9
Adjustments for:					
Depreciation of property, plant and equipment	1.7	1.2	3.3	2.2	5.1
Amortisation of intangible assets	5.7	4.3	13.3	8.3	18.7
Loss on disposal of intangible assets	-	0.0	-	0.0	0.1
Loss on disposal of property, plant & equipment	0.0	0.2	0.0	0.1	0.2
Share-based payments	0.3	-0.1	0.6	0.1	0.6
Equity settled employee benefit plan	0.5	0.1	0.9	0.1	0.7
Operating cash flows before movements in working capital	31.3	21.3	61.4	49.0	122.3
Decrease/(increase) in trade and other receivables	2.0	-3.3	-4.2	-6.3	-7.8
(Increase)/decrease in trade and other payables, including customer balances	-4.4	12.7	7.6	21.0	13.7
Cash flows from operating activities	28.9	30.7	64.8	63.7	128.2
Net income taxes paid	-0.7	-0.5	-3.7	-2.1	-6.5
Net cash generated from operating activities	28.2	30.2	61.1	61.6	121.7
Investing activities					
Acquisition of subsidiary, net of cash acquired	-155.6	-	-155.6	-	-
Settlement of contingent consideration	-	-	-	-5.9	-16.7
Interest received	0.2	0.2	0.2	0.2	0.2
Interest paid	-0.1	-0.2	-1.1	-0.4	-0.8
Purchases of other non-current assets	-0.1	-	-6.8	-	-
Purchases of property, plant and equipment	-3.9	-3.5	-5.6	-4.6	-10.4
Proceeds from sale of property, plant and equipment	-	-	-	0.5	0.5
Development and acquisition costs of intangible assets	-5.2	-5.3	-10.1	-10.0	-19.2
Net cash used in investing activities	-164.7	-8.8	-179.0	-20.2	-46.4
Financing activities					
Dividend paid	-70.6	-54.0	-70.6	-54.0	-54.0
Disposal of treasury shares	-	0.1	-	0.2	0.2
Proceeds of issue of new shares for share options	-	-	-	0.0	0.0
Treasury share buy-back	-	-	-	-	-17.1
Proceeds from borrowings	225.7	39.9	233.7	39.9	51.7
Repayment of borrowings	-10.3	-6.4	-31.0	-38.7	-58.8
Net cash used in financing activities	144.8	-20.4	132.1	-52.6	-78.0
Net increase/(decrease) in cash and cash equivalents	8.3	1.0	14.2	-11.2	-2.7
Cash and cash equivalents at beginning of period	96.7	76.6	89.4	83.4	83.4
Effect of foreign exchange rate changes	2.1	1.1	3.5	6.5	8.7
Cash and cash equivalents at end of period	107.1	78.7	107.1	78.7	89.4



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY GBP 'm	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Q2 2017	Q2 2016	Jan - June 2017	Jan - June 2016	Full Year 2016
Opening balance at beginning of period	262.2	244.3	243.5	213.1	213.1
Comprehensive income					
Profit for the period	20.4	13.5	36.7	33.5	83.9
Other comprehensive income:					
Translation adjustment	1.8	2.7	3.5	13.6	16.1
	22.2	16.2	40.2	47.1	100.0
Transactions with owners					
Share options - value of employee services	0.3	-0.1	0.6	0.1	0.1
Treasury share buy-back	-	0.1	-	0.1	-17.1
Equity settled employee benefit plan	0.5	-	0.9	-	0.7
Proceeds from shares issued	-	-	-	0.0	0.0
Disposal of treasury shares	-	0.1	-	0.2	0.7
Dividend paid	-70.6	-54.0	-70.6	-54.0	-54.0
	-69.8	-53.9	-69.1	-53.6	-69.6
Closing balance at end of period	214.6	206.6	214.6	206.6	243.5

KEY RATIOS

This table is for information only and does not form part of the condensed financial statements.

	Unaudited Q2 2017	Unaudited Q2 2016	Unaudited Jan - June 2017	Unaudited Jan - June 2016	Audited Full Year 2016
Operating margin (Profit from operations/gross winnings revenue for the period)	14%	12%	14%	15%	18%
Return on total assets (Profit after tax/average of opening and closing assets for the period)	4%	3%	7%	8%	20%
Return on average equity (annualised) (EBIT/average of opening and closing equity for the period)	39%	28%	38%	36%	42%
Equity:assets ratio	33%	49%	33%	49%	54%
EBITDA margin	18%	17%	19%	20%	22%
Net cash/EBITDA (rolling 12-month basis)	0.410	0.308	0.410	0.308	0.320
Employees at period end	1,339	1,154	1,339	1,154	1,162
Gross cash per share (GBP) (cash at end of period/number of shares at end of period)	0.465	0.342	0.465	0.342	0.388
Net cash less debt per share (GBP) (total cash at period end less customer liabilities and borrowings/number of shares at end of period)	-0.893	-0.146	-0.893	-0.146	-0.070
Operating cash flow before movements in working capital per share (GBP)	0.137	0.093	0.270	0.213	0.534
Earnings per share (GBP)	0.090	0.059	0.161	0.146	0.366
Fully diluted earnings per share (GBP)	0.089	0.059	0.161	0.145	0.365
Number of shares at period end ¹	230,126,200	230,126,200	230,126,200	230,126,200	230,126,200
Fully diluted number of shares at period end	230,813,507	230,705,377	230,813,507	230,705,377	230,520,323
Weighted average number of outstanding shares	227,647,938	229,660,304	227,600,381	229,642,307	229,096,939
Weighted average number of fully diluted outstanding shares	228,337,672	230,240,993	228,296,430	230,431,998	229,737,902

¹ As at 30 June 2017 the total issued shares was 230,126,200. Of these 2,478,262 shares are held by the Group as a result of previous repurchase programmes. The intention of the Board is either to cancel the shares (requires further shareholder approval), use as consideration for an acquisition, or issue to employees under share option programmes.



NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

This table is for information only and does not form part of the condensed financial statements.

Gross winnings revenue by region (based on country of residence of customer)
 (GBP 'm)

SPORTS BETTING BY REGION	2017	2017	2016	2016	2016	2016	2017	2016	2015
	Q2	Q1	Q4	Q3	Q2	Q1	YTD	FY	FY
Gross winnings revenue									
Nordics	20.4	21.6	21.3	23.5	17.2	18.3	42.0	80.3	58.2
Western Europe	44.8	37.0	39.5	35.1	32.9	29.0	81.8	136.5	81.9
Central, Eastern and Southern Europe	5.9	5.0	5.0	5.3	4.2	4.8	10.9	19.3	12.1
Other	2.1	2.8	2.7	2.8	1.9	2.0	4.9	9.4	9.0
Total	73.2	66.4	68.5	66.7	56.2	54.1	139.6	245.5	161.2

Quarterly Year-on-Year & Year-on-Year growth %									
Nordics	19%	18%	30%	56%	27%	39%	18%	38%	9%
Western Europe	36%	28%	43%	78%	95%	65%	32%	67%	25%
Central, Eastern and Southern Europe	40%	4%	14%	96%	91%	71%	21%	60%	22%
Other	11%	40%	8%	22%	-17%	5%	26%	4%	88%
Total	30%	23%	34%	68%	61%	52%	27%	52%	21%

OTHER PRODUCTS - CASINO, POKER, & OTHER GAMES BY REGION	2017	2017	2016	2016	2016	2016	2017	2016	2015
	Q2	Q1	Q4	Q3	Q2	Q1	YTD	FY	FY
Gross winnings revenue									
Nordics	47.4	47.6	46.5	40.4	36.8	35.9	95.0	159.6	102.1
Western Europe	39.0	32.6	30.8	27.7	26.5	25.0	71.6	110.0	72.4
Central, Eastern and Southern Europe	5.6	6.1	6.2	6.8	6.6	6.8	11.7	26.4	16.7
Other	1.4	0.5	0.8	0.7	0.5	0.6	1.9	2.6	1.7
Total	93.4	86.8	84.3	75.6	70.4	68.3	180.2	298.6	192.9

Quarterly Year-on-Year & Year-on-Year growth %									
Nordics	29%	33%	44%	58%	59%	69%	31%	56%	5%
Western Europe	47%	30%	36%	69%	48%	61%	39%	52%	23%
Central, Eastern and Southern Europe	-15%	-10%	17%	84%	61%	89%	-13%	58%	-1%
Other	180%	-17%	167%	17%	0%	100%	73%	53%	-65%
Total	33%	27%	40%	66%	54%	68%	30%	55%	8%

TOTAL BY REGION	2017	2017	2016	2016	2016	2016	2017	2016	2015
	Q2	Q1	Q4	Q3	Q2	Q1	YTD	FY	FY
Gross winnings revenue									
Nordics	67.8	69.2	67.8	63.9	54.0	54.2	137.0	239.9	160.3
Western Europe	83.8	69.6	70.3	62.8	59.4	54.0	153.4	246.5	154.3
Central, Eastern and Southern Europe	11.5	11.1	11.2	12.1	10.8	11.6	22.6	45.7	28.8
Other	3.5	3.3	3.5	3.5	2.4	2.6	6.8	12.0	10.7
Total	166.6	153.2	152.8	142.3	126.6	122.4	319.8	544.1	354.1

Share of total %									
Nordics	41%	45%	45%	45%	42%	44%	43%	44%	45%
Western Europe	50%	46%	46%	44%	47%	44%	48%	45%	44%
Central, Eastern and Southern Europe	7%	7%	7%	9%	9%	10%	7%	9%	8%
Other	2%	2%	2%	2%	2%	2%	2%	2%	3%

Quarterly Year-on-Year & Year-on-Year growth %									
Nordics	26%	28%	40%	57%	48%	58%	27%	50%	6%
Western Europe	41%	29%	40%	74%	71%	63%	35%	60%	24%
Central, Eastern and Southern Europe	6%	-4%	15%	89%	71%	81%	1%	59%	7%
Other	46%	27%	25%	21%	-14%	18%	36%	12%	10%
Total	32%	25%	37%	65%	57%	61%	28%	54%	13%



NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

These tables are for information only and do not form part of the condensed financial statements.

Gross winnings revenue by product (after Free Bets)
 (GBP 'm)

TOTAL BY PRODUCT	2017	2017	2016	2016	2016	2016	2017	2016	2015
	Q2	Q1	Q4	Q3	Q2	Q1	YTD	FY	FY
Gross winnings revenue									
Sports Betting	73.2	66.4	68.5	66.7	56.2	54.1	139.6	245.5	161.2
Casino & Games	84.3	77.4	74.9	68.5	64.7	61.3	161.7	269.4	171.6
Poker	3.9	3.7	3.5	3.2	2.6	3.2	7.6	12.5	7.6
Other	5.2	5.7	5.9	3.9	3.1	3.8	10.9	16.7	13.7
Total	166.6	153.2	152.8	142.3	126.6	122.4	319.8	544.1	354.1
Share of total %									
Sports Betting	44%	43%	45%	47%	45%	44%	44%	45%	46%
Casino & Games	51%	51%	49%	48%	51%	50%	51%	50%	48%
Poker	2%	2%	2%	2%	2%	3%	2%	2%	2%
Other	3%	4%	4%	3%	2%	3%	3%	3%	4%
Quarterly Year-on-Year & Year-on-Year growth %									
Sports Betting	30%	23%	34%	68%	61%	52%	27%	52%	21%
Casino & Games	30%	26%	39%	62%	59%	76%	28%	57%	15%
Poker	50%	16%	59%	146%	37%	45%	31%	64%	-10%
Other	68%	50%	34%	44%	0%	9%	58%	22%	-32%

Sports Betting gross margins
 (GBP 'm)

	2017	2017	2016	2016	2016	2016	2017	2016	2015
	Q2	Q1	Q4	Q3	Q2	Q1	YTD	FY	FY
Sports Betting Stakes	1,151.5	1,115.9	976.1	874.9	901.5	845.1	2,267.4	3,597.6	2,248.9
<i>Sports Betting Gross winnings revenue:</i>									
Live Betting	45.4	43.6	40.4	37.2	35.6	33.8	89.0	147.0	95.1
<i>Live Betting margin</i>	6.4%	6.5%	6.8%	6.7%	6.4%	6.3%	6.4%	6.5%	6.5%
<i>Live Betting share</i>	52.3%	53.7%	51.0%	48.4%	51.1%	52.2%	53.0%	50.6%	50.4%
Pre-game Betting	41.4	37.6	38.8	39.6	34.0	31.0	79.0	143.4	93.5
<i>Pre-game Betting margin</i>	9.4%	8.4%	10.1%	12.5%	9.8%	10.1%	8.9%	10.5%	12.0%
<i>Pre-game Betting share</i>	47.7%	46.3%	49.0%	51.6%	48.9%	47.8%	47.0%	49.4%	49.6%
Total before Free Bets	86.8	81.2	79.2	76.8	69.6	64.8	168.0	290.4	188.6
<i>Sports Betting margin (before FB)</i>	7.5%	7.3%	8.1%	8.8%	7.7%	7.7%	7.4%	8.1%	8.4%
Free Bets	-13.6	-14.8	-10.7	-10.1	-13.4	-10.7	-28.4	-44.9	-27.4
Total after Free Bets	73.2	66.4	68.5	66.7	56.2	54.1	139.6	245.5	161.2
<i>Sports Betting margin (after FB)</i>	6.4%	6.0%	7.0%	7.6%	6.2%	6.4%	6.2%	6.8%	7.2%

Total margins (all products)
 (%)

	2017	2017	2016	2016	2016	2016	2017	2016	2015
	Q2	Q1	Q4	Q3	Q2	Q1	YTD	FY	FY
<i>Total margin all products* (before FB)</i>	4.6%	4.5%	4.7%	4.7%	4.6%	4.6%	4.6%	4.7%	4.7%

* Includes Sports Betting and Casino & Games, but excludes Poker rakes and Other revenues.

